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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PROFESSIONAL FINANCIAL INVESTORS,
INC. , a California corporation, *et al.*,

Debtors.

Case No. 20-30604 (HLB)

(Jointly Administered)

Chapter 11

**APPLICANT PACHULSKI STANG
ZIEHL & JONES LLP'S REPLY TO
OMNIBUS RESPONSE BY THE U.S.
SECURITIES AND EXCHANGE
COMMISSION TO VARIOUS INTERIM
FEE APPLICATIONS FILED BY
PROFESSIONALS TO BE PAID FROM
DEBTORS' ESTATES, AND
RESERVATION OF RIGHTS**

Date: August 19, 2021

Time: 10:00 a.m.

Judge: Hannah L. Blumenstiel

Place: Telephonic/Video Appearances Only
450 Golden Gate Avenue
16th Floor, Courtroom 19
San Francisco, CA 94102

Pachulski, Stang, Ziehl, & Jones ("PSZJ") as counsel to the Official Committee of Unsecured Creditors ("Committee") of Professional Financial Investors, Inc. hereby submits its reply to the *Omnibus Response by the U.S. Securities and Exchange Commission to Various Interim Fee Applications Filed by Professionals to Be Paid from Debtors' Estates, and Reservation of Rights* [Dkt No. 803] (the "SEC Objection").

1 The SEC objects to PSZJ's *Second Interim Application of Pachulski Stang Ziehl & Jones*
2 *LLP as Counsel to the Official Committee of Unsecured Creditors for Allowance and Payment of*
3 *Compensation and Reimbursement of Expenses for the Period December 1, 2020 through April 30,*
4 *2021* (the "Application") and demands that the interim award be authorized for payment only at
5 80% of the allowed fees pending the final fee application.

6 The Application sought approval and payment of 100% of the amounts described therein.
7 However, the omnibus notice for all professionals filed in connection with the Application sought
8 authority for payment of 80% of the fees. For this reason, PSZJ is willing accept an order
9 approving payment of its fees at the 80% level.

10 PSZJ and the other active chapter 11 professionals have not been paid *any* fees on account
11 of more than one years' services to date. This delay in payment significantly enhanced the liquidity
12 of the enterprise and allowed cash to be used to improve the assets of the estate for the benefit of
13 the victims of this Ponzi scheme. PSZJ has also provided voluntary discounts during the cases of
14 \$297,287.10, in addition to services performed gratis prior to the filing totaling \$228,412.00,
15 collectively representing approximately 25% of the total fees incurred. In light of these discounts,
16 PSZJ does not see any justification for a holdback.

17 Nonetheless, PSZJ will agree to the 20% holdback in light of the language in the omnibus
18 notice. However, PSZJ intends to seek payment of all approved fees, including amounts held back
19 on the Application, in a future application to filed after the sale proceeds are received by the
20 Debtors' estates.

21 Dated: August 12, 2021

PACHULSKI STANG ZIEHL & JONES LLP

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23 By: /s/ Debra I. Grassgreen
Debra I. Grassgreen

24 *Counsel for the Official Committee of Unsecured*
25 *Creditors*
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